



DEPARTMENT OF THE AIR FORCE

ARLINGTON, VA 22202-3258

Office of the Deputy General Counsel

MAY 16 2014

VIA FEDEX

SAF/GCR
1235 S. Clark Street
Suite 300
Arlington, VA 22202

Mr. Nadim Saifan, Jr.a/k/a
Mr. Nick Saifan
[REDACTED]
[REDACTED]

Re: Notice of Suspension

Mr. Saifan:

You are hereby notified that the Air Force has suspended you, Mr. Nadim Saifan, Jr. a/k/a Mr. Nick Saifan, Jr., from federal Government contracting and from directly or indirectly receiving the benefits of federal assistance programs. The suspension is initiated pursuant to the authority and the procedures of the Federal Acquisition Regulation (FAR) Subpart 9.4. Copies of FAR 9.4, Defense FAR Supplement 209.4 and Appendix H, and 2 C.F.R. Part 1125 are provided on our website at <http://www.safgc.hq.af.mil/organizations/gcr/index.asp>. 2 C.F.R. Part 1125 is the Defense Department's implementation of the Nonprocurement Common Rule referenced in FAR 9.401. If you do not have access to the Internet and wish to receive a hardcopy of the aforementioned regulations, please submit a written request to my counsel as designated below.

The suspension is based upon the information in the attached Memorandum In Support of the Suspensions (Encl. 1).

The suspension is effective this date and has the following consequences during the period of suspension:

1. Your name will be published in the System for Award Management, available at: <https://www.sam.gov/>, a publication of the General Services Administration that contains the names of contractors debarred, suspended, proposed for debarment, or declared ineligible by any agency of the Federal Government. Suspension is effective throughout the executive branch of the Federal Government and applies to procurement and nonprocurement programs.

2. Offers will not be solicited from, contracts will not be awarded to, existing contracts will not be renewed or otherwise extended for, and subcontracts requiring Government approval will not be approved for you by any agency in the executive branch of the Federal

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Government, unless the head of the agency taking the contracting action or a designee states in writing the compelling reason for continued business dealings between you and the agency.

3. You may not conduct business with the Federal Government as an agent or representative of other contractors, nor may you act as an individual surety for other contractors.

4. No Government contractor may award to you a subcontract equal to or in excess of \$30,000 unless there is a compelling reason to do so and the contractor first notifies the contracting officer and further complies with the provisions of FAR 9.405-2(b).

5. No agency in the executive branch shall enter into, renew, or extend primary or lower-tier covered transactions in which you are either a participant or principal, unless the head of the agency grants an exception in writing. (Covered transactions are defined at 2 C.F.R. Section 1125.30.)

6. You may not act as an agent or representative of other participants in federal assistance programs.

7. Your affiliation with or relationship with any organization doing business with the Government or receiving the benefits of federal assistance will be carefully examined to determine the impact of those ties on the responsibility of that organization to be a Government contractor or to receive federal assistance.

Within 30 days after receipt of this notice, you may submit, either in person or in writing, or both, information and argument in opposition to the suspension. To encourage you, voluntarily, to furnish useful and reliable information and to be candid with our office, you may mark any portion of your submission, including attachments, with an appropriate legend identifying information you customarily withhold from release to the public. In the event our office receives a Freedom of Information Act (FOIA) request concerning your submission, we will afford you an opportunity to opine on the releasability of the marked materials. If you provide a written response, an original and one hardcopy must be submitted and an electronic copy is appreciated. You are encouraged to Bates number your submission, including attachments thereto.

If you designate a representative to respond on your behalf, please notify my counsel, in writing, of the identity of the representative. The designation should specifically state the names and addresses of all individuals or companies the designee has the authority to represent in this matter.

Your submission, if any, should include any specific information that may raise a genuine dispute over facts material to the suspension. If it is found that the information or argument submitted raises a genuine dispute over material facts, fact-finding may be conducted to determine the disputed facts. Facts set forth in an indictment, a criminal information, or other charging document, however, are not subject to dispute in this proceeding.

This suspension has been initiated on the basis of the administrative record. A copy of the record will be furnished upon request. Any written information submitted by you will be added to the administrative record.

Any material information submitted in response to this action will be considered a statement or representation to a government official concerning a matter within the jurisdiction of the executive branch of the Government. To that end, please note that the making of any materially false, fictitious, or fraudulent statement or representation to a government official may subject the maker to prosecution under Title 18, United States Code, Section 1001.

Any communications regarding this matter should be directed to my counsel: Amy Anaya, SAF/GCR, 1235 S. Clark Street, Suite 300, Arlington, VA 22202, 703-604-1626, and amy.c.anaya-smith.civ@mail.mil.

Sincerely,

A handwritten signature in black ink, appearing to read "Rodney A. Grandon", with a long horizontal flourish extending to the right.

RODNEY A. GRANDON
Deputy General Counsel
(Contractor Responsibility)

Encl. 1
a/s



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VIA FEDEX

SAF/GCR
1235 S. Clark Street
Suite 300
Arlington, VA 22202

Defense Logistical Support & Services Corporation
c/o Mr. Nick Saifan
[REDACTED]
[REDACTED]

Re: Notice of Suspension

Mr. Saifan:

You are hereby notified that the Air Force has suspended Defense Logistical Support & Services Corporation (DUNS No.: 135970775, Cage Code: 3HWU4) (hereinafter Company) from federal Government contracting and from directly or indirectly receiving the benefits of federal assistance programs. The suspension is initiated pursuant to the authority and the procedures of the Federal Acquisition Regulation (FAR) Subpart 9.4. Copies of FAR 9.4, Defense FAR Supplement 209.4 and Appendix H, and 2 C.F.R. Part 1125 are provided on our website at <http://www.safgc.hq.af.mil/organizations/gcr/index.asp>. 2 C.F.R. Part 1125 is the Defense Department's implementation of the Nonprocurement Common Rule referenced in FAR 9.401. If you do not have access to the Internet and wish to receive a hardcopy of the aforementioned regulations, please submit a written request to my counsel as designated below.

The suspension is based upon the information in the attached Memorandum in Support of the Suspensions (Encl. 1).

The suspension is effective this date and has the following consequences during the period of suspension:

1. The Company name will be published in the System for Award Management, available at: <https://www.sam.gov/>, a publication of the General Services Administration that contains the names of contractors debarred, suspended, proposed for debarment, or declared ineligible by any agency of the Federal Government. Suspension is effective throughout the executive branch of the Federal Government and applies to procurement and nonprocurement programs.
2. Offers will not be solicited from, contracts will not be awarded to, existing contracts will not be renewed or otherwise extended for, and subcontracts requiring Government

approval will not be approved for the Company by any agency in the executive branch of the Federal Government, unless the head of the agency taking the contracting action or a designee states in writing the compelling reason for continued business dealings between the Company and the agency.

3. The Company may not conduct business with the Federal Government as an agent or representative of other contractors.

4. No Government contractor may award the Company a subcontract equal to or in excess of \$30,000 unless there is a compelling reason to do so and the contractor first notifies the contracting officer and further complies with the provisions of FAR 9.405-2(b).

5. No agency in the executive branch shall enter into, renew, or extend primary or lower-tier covered transactions in which the Company is either a participant or principal, unless the head of the agency grants an exception in writing. (Covered transactions are defined at 2 C.F.R. Section 1125.30.)

6. The Company may not act as an agent or representative of other participants in federal assistance programs.

7. The Company's affiliation with or relationship with any organization doing business with the Government or receiving the benefits of federal assistance will be carefully examined to determine the impact of those ties on the responsibility of that organization to be a Government contractor or to receive federal assistance.

Within 30 days of receipt of this notice, the Company may submit, either in person or in writing, or both, information and argument in opposition to the suspension. To encourage you, voluntarily, to furnish useful and reliable information and to be candid with our office, you may mark any portion of your submission, including attachments, with an appropriate legend identifying information you customarily withhold from release to the public. In the event our office receives a Freedom of Information Act (FOIA) request concerning your submission, we will afford you an opportunity to opine on the releasability of the marked materials. If the Company provides a written response, an original and one hardcopy must be submitted and an electronic copy is appreciated. The Company is encouraged to Bates number its submission, including attachments thereto.

If the Company designates a representative to respond on its behalf, please notify my counsel, in writing, of the identity of the representative. The designation should specifically state the names and addresses of all individuals or companies the designee has the authority to represent in this matter.

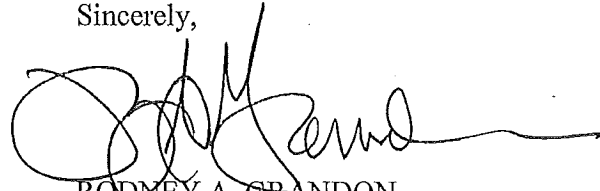
The Company's submission, if any, should include any specific information that may raise a genuine dispute over facts material to the suspension. If it is found that the information or argument submitted raises a genuine dispute over material facts, fact-finding may be conducted to determine the disputed facts. Facts set forth in an indictment, criminal information, or other charging document, however, are not subject to dispute in this proceeding.

This suspension has been ordered on the basis of the administrative record. A copy of the record will be furnished upon request. Any written information submitted by the Company will be added to the administrative record.

Any material information submitted in response to this action will be considered a statement or representation to a government official concerning a matter within the jurisdiction of the executive branch of the Government. To that end, please note that the making of any materially false, fictitious, or fraudulent statement or representation to a government official may subject the maker to prosecution under Title 18, United States Code, Section 1001.

Any communications regarding this matter should be directed to my counsel: Amy Anaya, SAF/GCR, 1235 S. Clark Street, Suite 300, Arlington, VA 22202, 703-604-1626, and amy.c.anaya-smith.civ@mail.mil.

Sincerely,

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RODNEY A. GRANDON
Deputy General Counsel
(Contractor Responsibility)

Encl.1
a/s



DEPARTMENT OF THE AIR FORCE

ARLINGTON, VA 22202-3258

MAY 16, 2014

Office of the Deputy General Counsel

MEMORANDUM IN SUPPORT OF THE SUSPENSIONS OF:

NADIM SAIFAN, JR. a/k/a
NICK SAIFAN, JR.
DEFENSE LOGISTICAL SUPPORT & SERVICES CORPORATION

Effective this date, the Department of the Air Force has suspended Nadim Saifan, Jr. a/k/a Nick Saifan, Jr. ("Mr. Saifan") and Defense Logistical Support & Services Corporation ("DLSS") from Government contracting and from directly or indirectly receiving the benefits of Federal assistance programs. The action is initiated pursuant to Federal Acquisition Regulation (FAR) Subpart 9.4.

INFORMATION IN THE RECORD

There is adequate evidence in the record establishing that:

1. DLSS is a government contractor; it has provided services to the U.S. military in Iraq.
2. Mr. Saifan is President and Owner of DLSS.
3. On December 7, 2011, Mr. Saifan was indicted by grand jury on five counts of violating 26 U.S.C. § 7201, attempting to evade or defeat tax.
4. On May 5, 2014, Mr. Saifan pleaded guilty to two counts of violating 26 U.S.C. § 7201, attempting to evade or defeat tax.
5. Specifically, Mr. Saifan pleaded guilty to underreporting income on DLSS's 2005 corporate tax return and his personal tax return for 2006.
6. Mr. Saifan owes \$4.5 million in unpaid corporate and personal taxes. He caused a tax loss to the government of at least \$7 million.

BASES FOR THE SUSPENSIONS

1. There is adequate evidence in the administrative record establishing that Mr. Saifan and DLSS committed offenses indicating a lack of business integrity or business honesty that seriously and directly affect their present responsibility to be Government contractors or subcontractors. The evidence provides a separate and independent basis for their suspensions pursuant to FAR 9.407-2(a)(9).
2. There is adequate evidence in the administrative record establishing Mr. Saifan's and DLSS's conduct is of so serious or compelling a nature that it affects their present responsibility

to be Government contractors or subcontractors, and provides separate and independent bases for their suspensions pursuant to FAR 9.407-2(c).

3. The indictment filed against Mr. Saifan is adequate evidence he committed crimes so as to affect his present responsibility to be a Government contractor or subcontractor, thereby providing a separate independent basis for his suspension pursuant to FAR 9.407-2(b).

Imputation

4. Pursuant to FAR 9.406-5(a), the seriously improper conduct of Mr. Saifan is imputed to DLSS because his improper conduct occurred in connection with the performance of his duties for or on behalf of DLSS, or with the knowledge, approval, or acquiescence of DLSS. The imputation of Mr. Saifan's conduct provides a separate independent basis for the suspension of DLSS by the incorporation of FAR 9.406-5(a) pursuant to FAR 9.407-5.

Affiliation

5. Pursuant to FAR 9.407-1(c), suspensions may be extended to the affiliates of a contractor. DLSS and Mr. Saifan are affiliates, as defined at FAR 9.403 (Affiliates), because directly or indirectly, either one controls or has the power to control the other. The affiliation of DLSS and Mr. Saifan provides a separate independent basis for both of their suspensions.

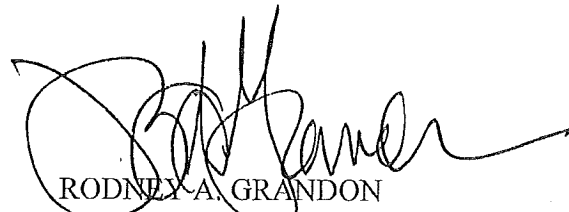
FINDINGS

The independent causes specified above directly affect the present responsibility of DLSS and Mr. Saifan to be Government contractors or subcontractors, or participants in federal assistance programs, and reflects negatively upon the propriety of doing business with them.

Based on the administrative record before me, I find that protection of the Government's business interests requires the immediate suspensions of DLSS and Mr. Saifan pending completion of the criminal investigation and any ensuing legal proceedings.

DECISION

Pursuant to the authority granted by FAR Subpart 9.4, the Defense FAR Subpart 209.4, and 2 C.F.R. Section 1125, and based upon the evidence contained in the administrative record and the findings therein, DLSS and Mr. Saifan are hereby suspended this day. The suspension is temporary pending completion of the criminal investigation and any ensuing legal proceedings.



RODNEY A. GRANDON
Deputy General Counsel
(Contractor Responsibility)